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STATE FOR WHA/CEN - TELLO  
ALSO FOR WHA/EPSC - SHAPIRO AND SALAZAR  
STATE PASS TO USTR - D. OLIVER  
USDOC - M. GAISFORD  
TREASURY - S. GRAY

E.O. 12958: N/A  
TAGS: [ETRD](#) [ECON](#) [ENRG](#) [EWWT](#) [PGOV](#) [PM](#)  
SUBJECT: NEW TRADE MINISTER FOCUSED ON TPA AND CONTINUITY

REF: PANAMA 0233

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11. (SBU) Summary: Minister of Commerce & Industry Carmen Gisela Vergara is focused on securing U.S. ratification of the U.S. Panama Trade Promotion Agreement (TPA). She was confident that Pedro Miguel Gonzalez (PMG) will exit as Panama's National Assembly President in September and expects the GOP would implement necessary changes on labor matters only after the U.S. ratifies the TPA. Vergara has also reached out to major prospective U.S. investors, including Occidental Petroleum and Ports America, to reassure them of her intent to continue with the trade and investment policies pursued by ex-Minister Alejandro Ferrer. Panamanian business leaders and U.S. investors were pleased with Torrijos' choice of Vergara. End summary.

Vergara: GOP to Fix Labor Issues post-TPA Ratification  
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12. (SBU) Newly-minted Minister of Commerce & Industry Carmen Gisela Vergara told Ambassador on April 18 that she was focused on continuing with the trade and investment agenda that the GOP had pursued under ex-Minister Alejandro Ferrer. She said her top priority is to secure U.S. ratification of the Trade Promotion Agreement (TPA). Acknowledging that Panama must still address lingering USG concerns on labor issues, she said the GOP had drafted the executive decrees necessary to do so but would carry them out as part of the implementation process once the U.S. ratifies the TPA. Vergara maintained that doing so absent U.S. ratification could otherwise "detonate" problems with business and labor groups. She noted that, ironically, some of the groups that had previously opposed the TPA had come around on trade and are now clamoring for the GOP to push harder for its ratification by the U.S.

13. (SBU) Vergara said that the GOP and Panamanian business leaders were anxious to "get the ball rolling again" on Panama's TPA, noting that the Panama Chamber of Commerce might organize a September 2008 event in Washington to get

Panama back on Washington's radar. However, Vergara was quick to recognize the obstacles posed by the presence of Pedro Miguel Gonzalez (PMG) as Panama's National Assembly President and the current imbroglio in Washington over the Colombia deal. She said she was "99.999 percent sure" that PMG would be replaced as Assembly President come September. She believed that PMG had already decided against seeking a second year at the Assembly's helm owing to his need to focus on winning re-election from his district in the interior. She expected a long line of would-be PMG replacements would emerge in July-August, as the upcoming legislative year could be their "last chance" to win the title of Assembly President.

#### Vergara Promises Continuity for U.S. Investors

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14. (SBU) Vergara visited Los Angeles, CA in early April to reassure key prospective U.S. investors of her commitment to continuing Ferrer's policies. She told Occidental Petroleum executives that their proposed \$8 billion refinery in western Panama remained a "top priority" for the GOP. She said Oxy and its partner, Qatar Petroleum (QP), will visit Panama in mid-May to begin negotiating the text of a "contract law" the GOP would put forward once Oxy and QP complete their costing studies (likely in August) and decide to proceed. Oxy execs told Econ Chief on April 17 that they were pleased with Vergara's presence as Minister and the GOP's handling thus far of the project.

15. (SBU) President Torrijos also tasked Vergara with leading the GOP's direct negotiations for a \$400-500 million "megaport" with a Ports America/Cosco joint venture. (The two firms were the last two remaining in the GOP's earlier public bidding process for a major container terminal to be developed near the Pacific entrance to the Panama Canal. As the two opted to pursue the project through a joint venture, the GOP abandoned the licitation and decided in early April to negotiate a direct deal with them.) Ports America executives told Econ Chief on April 17 that they, too, were pleased with their meeting in Los Angeles with Vergara. They believed the continuity she offers avoided what otherwise might have been a six-month delay following Ferrer's departure.

Comment:

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16. (SBU) Given the other prospects for Ferrer's replacement (reftel), Panamanian business leaders and foreign investors were gratified, if not relieved, at Torrijos' choice of Vergara. As Vice Minister, she enjoyed a reputation as honest and hard-working. A friend of Ferrer's since childhood (she considered him "like a big brother"), Vergara appears highly committed to seeing his trade and investment agenda through to the end of the Torrijos Administration's term (Sept. 2009). Her confidence about PMG's possible exit as Assembly President echoes similar statements we have heard in recent weeks from other top GOP officials, but does not appear based on any first-hand discussions with PMG. End comment.

#### (SBU) Biography - Carmen Gisela Vergara

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Carmen Gisela Vergara is a lawyer who graduated from the University of Panama with a degree in Law and Political Science. She earned a Masters in Economic Law at the Universidad del Externado in Bogota, Colombia; a Masters in Private Law from the University of Panama; and a Certificate in International Commercial Negotiations from the University of Santiago, Chile. She also studied Foreign Investment Promotion at the World Bank. Vergara has presented numerous advanced training courses and seminars on foreign investment promotion, the promotion of exports, foreign trade, entrepreneurship, business plan development, leadership, motivation, and team-building.

Vergara has worked in both the public and private sectors in different capacities, such as: Judge Executor, Executive Sub-Director of the National Commission for Investment Promotion "Pro Panama," National Director for Promotion of Production and Investment of the Vice Ministry of Foreign Trade, and Manager of the Business Technology Accelerator at the City of Knowledge's "International Tecnopark." She served for five years as Panama's Alternate Representative before the OAS' Inter-American Commission on Women and was a member of the OAS' Non-Permanent Specialized Committees. Vergara is an arbitrator at Panama's Center for Conciliation and Arbitration, a member of the National Bar Association, and the National Union of Lawyers. She also served as Assistant Professor for International Trade Negotiations in the Global MBA programs of the Tecnologico de Monterrey and the Thunderbird School of Global Management.

Vergara is a single mother of an adolescent daughter. She spent a portion of her high school years as an exchange student in Kentucky and speaks English fluently. Although she is not flashy, Vergara is highly regarded by Panamanian business leaders as an honest, hardworking professional. In late 2007, the Panama Chamber of Commerce approached her to run a new think tank, but she declined, apparently in anticipation of her possible rise to succeed Alejandro Ferrer.

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